

C. DUKES SCOTT
EXECUTIVE DIRECTOR

1401 Main Street, Suite 900
Columbia, SC 29201



Phone: (803) 737-0800
Fax: (803) 737-0986

DAN F. ARNETT
CHIEF OF STAFF

JOHN W. FLITTER
DIRECTOR
ELECTRIC & GAS REGULATION

February 9, 2012

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Petition of Duke Energy Carolinas, LLC ("Duke" or "Company") for an Accounting Order to Defer Certain Capital and Operating Costs Incurred for the Buck Natural Gas Combined Cycle Generating Plant ("Buck") and the Bridgewater Hydro Generating Plant ("Bridgewater")
Docket No.: 2012-57-E

Dear Ms. Boyd:

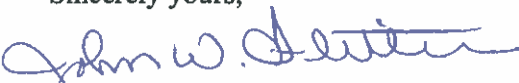
This is to inform the Public Service Commission of South Carolina ("Commission") that the South Carolina Office of Regulatory Staff ("ORS") has reviewed and discussed with Duke personnel the Company's filing in the above referenced Docket. Based on the information provided, ORS has no objection to the Company's Petition for an Accounting Order to defer certain capital and operating costs for Buck and Bridgewater, which were booked into plant in service on December 6, 2011.

The Company estimates South Carolina's allocable deferred amount will include approximately \$8 million for the cost of capital and approximately \$4 million for incremental non-fuel expenses. These costs were not included in the base rates approved in Commission Docket No. 2011-271-E, Order No. 2012-77.

ORS's position is predicated on the basis that the issuance of an Accounting Order in this matter will not preclude the Commission or any party from addressing the reasonableness of these costs in a subsequent general rate case or other proceeding.

Thank you for the opportunity to provide our comments in this matter.

Sincerely yours,



John W. Flitter

JWF/lcf

cc: Dan Arnett, Chief of Staff – ORS
Nanette Edwards, Chief Counsel, Director of Legal Services – ORS
Florence Belser, General Counsel – ORS
Timika Shafeek-Horton, Deputy General Counsel – Duke Energy Carolinas, LLC
Dr. James Spearman, Executive Assistant, SC PSC